

AMENDED IN SENATE JUNE 23, 2005
AMENDED IN ASSEMBLY MAY 31, 2005
AMENDED IN ASSEMBLY MAY 12, 2005
AMENDED IN ASSEMBLY MAY 10, 2005
AMENDED IN ASSEMBLY APRIL 25, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1316

**Introduced by Assembly Members Salinas and Cohn
(Coauthor: Assembly Member Parra)**

February 22, 2005

An act to add Section 129772 to, and to add and repeal Section 129771 of, the Health and Safety Code, relating to health facilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1316, as amended, Salinas. Health facilities: construction.

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 requires the Office of Statewide Health Planning and Development (OSHPD) to assume duties relating to construction and alteration of hospital buildings, including, but not limited to, review and approval of construction plans, in order to ensure that the buildings would be reasonably capable of providing services after a disaster.

This bill would, until January 1, 2012, authorize a ~~public~~ *district* hospital governing board to retain qualified design professionals who meet prescribed criteria to develop its plan prior to submitting it to OSHPD. The bill would require OSHPD to establish an accelerated

review criteria and would require the adoption of related emergency processes, including, but not limited to, adoptions of emergency regulations implementing these reforms, and would require an annual report to the Legislature by January 1, 2007.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 129771 is added to the Health and
2 Safety Code, to read:

3 129771. (a) The Legislature finds and declares as follows:

4 (1) California's public hospitals, including those operated by
5 cities, counties, and health care districts, provide health care
6 services to more than 10,000,000 Californians annually and
7 constitute the core of the state's health care safety net.

8 (2) More than one-half of the patients treated in California's
9 public hospitals are uninsured, or covered by public health
10 insurance programs including, but not limited to, Medi-Cal.
11 These hospitals posted net operating losses in excess of one
12 billion dollars (\$1,000,000,000) in the 2003–04 fiscal year,
13 according to the Office of Statewide Health Planning and
14 Development (OSHPD). Many of these hospitals, *particularly*
15 *rural district hospitals*, are struggling to remain in operation
16 today.

17 (3) The existing Alfred E. Alquist Hospital Facilities Seismic
18 Safety Act of 1983 requires that California hospitals meet design
19 and construction standards, in order to ensure they are reasonably
20 capable of providing services to the public after a major
21 earthquake. The act requires OSHPD to approve or reject all
22 plans for the construction or alteration of a hospital building.
23 After January 1, 2008, the act requires any general acute care
24 hospital building that is determined to be a potential risk of
25 collapse or pose significant loss of life to be used only for
26 nonacute care hospital purposes.

27 ~~(4) The average approval time for plans submitted to OSHPD,~~
28 ~~by district hospitals, is approaching 180 days. However, some~~
29 ~~Some plans submitted to OSHPD by district hospitals have taken~~

365 days or more to obtain final approval. These delays have exposed district hospital projects to cost inflation in excess of 25 percent, jeopardizing the completion of these construction projects. The delays have also increased the likelihood that these district hospitals will not be able to meet the January 1, 2008, seismic safety compliance deadline.

(5) These delays arise from a variety of factors. Some of these factors include issues specific to project architects and engineers, though some are related to the cumbersome nature of certain administrative processes within OSHPD.

(6) Most ~~public~~ *district* hospital construction projects are financed through the sale of voter-approved general obligation bonds. Their project budgets, repayment schedules, and covenants are fixed, and cannot be renegotiated. District hospitals cannot realistically expect to obtain voter approval for any additional funding to cover cost overruns, regardless of cause. Every effort must be made to reduce and eliminate unnecessary administrative and process-related delays in the OSHPD plan, plan change order, and project inspection approval processes.

(7) Accordingly, the Legislature intends to provide ~~public~~ *district* hospitals with the option of a guaranteed OSHPD plan review and approval timeline. It also intends to initiate reforms in the hospital plan review and approval, plan change order review and approval, and construction project inspection approval processes within OSHPD, and require regular reports to the Legislature on the implementation and success of these reforms.

(b) (1) The governing board of a ~~public~~ *district* hospital may retain qualified design professionals who meet or exceed the qualification standards specified in this section to develop plans for facility alteration and construction. These qualified design professionals shall be responsible for plan development and submission to the office for review and approval within the timeframe specified in paragraph (3).

(2) ~~(A)~~ For purposes of this section, “qualified design professional” means a professional who meets all of the following standards:

(i)

(A) Professional licensure pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions

1 Code, or professional licensure pursuant to Chapter 7
2 (commencing with Section 6700) of Division 3 of the Business
3 and Professions Code.

4 (ii)

5 (B) A minimum of seven years of continuous postlicensure
6 practice.

7 (iii)

8 (C) Significant demonstrated working experience with
9 California Building Standards Codes and regulations regarding
10 the construction and alteration of hospitals and health facilities,
11 including, but not limited to, this chapter.

12 (iv)

13 (D) Any additional standards adopted by the Office of
14 Statewide Health Planning and Development.

15 ~~(B) When the hospital's qualified design professional~~
16 ~~determines that the hospital's plans are complete and comply~~
17 ~~with all applicable California Building Standards Code~~
18 ~~requirements, the qualified design professional shall issue a~~
19 ~~certification and the hospital governing board shall submit the~~
20 ~~application and the completed plans and all necessary supporting~~
21 ~~documentation to the office for review.~~

22 ~~(C) All applications for plan and plan amendment review~~
23 ~~submitted to the office shall include the name of, and contact~~
24 ~~information for, a designated hospital owner's representative.~~

25 ~~(3) (A) Except as provided in subparagraph (G), the office~~
26 ~~shall perform a review of the completed plans and supporting~~
27 ~~design data, submitted by the hospital's qualified design~~
28 ~~professional within 60 days of submission.~~

29 *(c) In order to be eligible for the expedited plan review and*
30 *approval as provided in this section, the district hospital shall*
31 *comply with each of the following requirements prior to*
32 *submission of the plans to OSHPD:*

33 *(1) The district's governing board passes a resolution stating*
34 *that the total construction cost of the project being submitted to*
35 *OSHPD will not exceed twenty million dollars (\$20,000,000).*

36 *(2) The hospital representatives meet and confer with*
37 *designated OSHPD staff regarding the overall scope of the*
38 *project and any potential issues that may affect plan approval or*
39 *render the project ineligible for the expedited plan approval.*

1 (3) (A) *The hospital's qualified design professional*
2 *determines that the hospital's plans are complete and comply*
3 *with all applicable California Building Standards Code*
4 *requirements.*

5 (B) *All applications for plan and plan amendment review*
6 *submitted to OSHPD shall include the name of, and contact*
7 *information for, a designated hospital owner's representative.*

8 (C) *Except as provided in subparagraph (E), OSHPD shall*
9 *perform a review of the submitted plans and supporting design*
10 *data within 60 days of submission.*

11 (D) *If OSHPD does not identify any noncompliance with the*
12 *qualified design professional's submission, OSHPD shall issue a*
13 *plan approval.*

14 ~~(B) If the office~~

15 (E) *If OSHPD identifies any noncompliance with structural,*
16 *nonstructural bracing, fire and life safety requirements of the*
17 *California Building Standards Code, or other noncompliance that*
18 *impacts structural, nonstructural bracing or fire and life safety*
19 *conditions, the office OSHPD shall return the completed plans to*
20 *the hospital's qualified design professional for correction, and*
21 *notify the hospital's designated owner representative, via*
22 *registered mail, that the plans have been returned to the qualified*
23 *design professional for correction. If the hospital's qualified*
24 *design professional resubmits the corrected plans to the office*
25 *within 45 days from the date the office returned the plans to the*
26 *qualified design professional for correction, the office shall*
27 *review the corrected plans within 60 days. If the hospital's*
28 *qualified design professional resubmits the corrected plans to the*
29 *office after 45 days, the office shall treat the corrected plans as a*
30 *new application.*

31 (iv) *If the hospital's qualified design professional resubmits*
32 *the corrected plans to OSHPD within 45 days from the date*
33 *OSHPD returned the plans to the qualified design professional*
34 *for correction, OSHPD shall review the corrected plans within*
35 *60 days.*

36 (v) *If the hospital's qualified design professional resubmits the*
37 *corrected plans to the office after 45 days, OSHPD shall treat the*
38 *corrected plans as a new application.*

39 ~~(C) If the office~~

1 (F) *OSHPD* does not identify any noncompliance with the
2 qualified design professional's submission or resubmission, the
3 office shall issue a plan approval.

4 ~~(D) If the office~~

5 (G) *OSHPD* identifies any noncompliance with any code
6 requirements other than structural, nonstructural bracing or fire
7 and life safety requirements that do not impact the structural,
8 nonstructural bracing or fire and life safety conditions, the office
9 shall inform the hospital's qualified design professional and
10 designated owner representative, and issue an incremental plan
11 approval pursuant to Section ~~_____~~ 7-131 of Title 24 of the
12 California Code of Regulations for those increments of the
13 project that are found to be in compliance with code
14 requirements. The hospital's qualified design professional shall
15 remedy any identified noncompliances and shall resubmit
16 corrected plans for review and approval.

17 ~~(E) The Legislature understands~~

18 (H) *The Legislature recognizes* that some projects are so
19 complex that the 60-day deadlines for review of completed or
20 corrected plans, as described in ~~subparagraphs (A) and (B)~~
21 *clauses (iv) and (v) of subparagraph (D)*, may not be achievable.
22 In all cases, the hospital owner and ~~the office~~ *OSHPD* may
23 negotiate a mutually agreeable timeframe for review of the
24 completed plans or corrected plans developed by a qualified
25 design professional. However, in no case shall total time required
26 by ~~the office~~ *OSHPD* for review of plans or corrected plans
27 developed by a qualified design professional exceed 160 days.
28 This time period shall not include any time during which the
29 hospital plans are in the possession or control of the qualified
30 design professionals.

31 ~~(e) The office~~

32 (d) *OSHPD* shall adopt within 90 days after the effective date
33 of the act that added this section, regulations to establish the
34 adoption, amendment, repeal, or readoption of a regulation
35 authorized by this section that is deemed to be necessary for the
36 immediate preservation of the public peace, health and safety, or
37 general welfare, for the purposes of Sections 11346.1 and
38 11349.6 of the Government Code, and the office is hereby
39 exempted from the requirement that it describe specific facts
40 showing the need for immediate action.

(d)

(e) As used in this section, “~~public~~ district hospital” means any hospital owned and operated by a ~~city, county, city and county, health care district, or the University of California~~. *local hospital district subject to Division 23 (commencing with Section 32000).*

(e)

(f) Due to the short-term nature of the projected workload peak, this section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 129772 is added to the Health and Safety Code, to read:

129772. (a) The Office of Statewide Planning and Development shall develop and implement administrative reforms to reduce the average time required for the review and approval of hospital construction plans and plan amendments to no more than 160 days, by January 1, 2007. These reforms shall include, but not be limited to, the following:

(1) The designation of technical leaders within the office, who can provide oversight and direction to regional and state staff in the following engineering and design areas:

(A) Architectural.

(B) Structural.

(C) Mechanical.

(D) Electrical.

(E) Fire and life safety.

(2) Implementation of triage procedures for the rapid evaluation of plans and plan amendments submitted to the office.

(3) Expanded use of over-the-counter reviews for plans and plan amendments.

(4) Expedited review processes for plan amendments and change orders to address the requirements of subdivision (b) of Section 153 of Article 3 of Chapter 7 of Part 1 of Title 24 of the California Code of Regulations.

(b) The office shall begin implementation of these reforms by January 1, 2006. It shall complete implementation of all necessary reforms by July 1, 2006.

1 (c) Beginning January 1, 2007, the office shall prepare a report
2 to the Legislature on their progress in implementing these
3 regulations, and its progress in meeting the goal of reduced
4 average plan review and approval time specified in subdivision
5 (a). This report shall be incorporated into the office's annual oral
6 budget presentation to the Legislature.

7 (d) The report specified in subdivision (c) shall be delivered to
8 the Assembly and Senate Appropriations and Health
9 Committees.

10 SEC. 3. This act is an urgency statute necessary for the
11 immediate preservation of the public peace, health, or safety
12 within the meaning of Article IV of the Constitution and shall go
13 into immediate effect. The facts constituting the necessity are:

14 In order to ensure that public hospitals meet seismic mandates
15 with the minimum of delay and costs, while minimizing the
16 increasing workload for the Office of Statewide Health Planning
17 and Development, it is necessary that this act take effect
18 immediately.